

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF SCOTT AND ) APPEAL NO. 07-A-2180  
KAREN HOWELL from the decision of the Board of ) FINAL DECISION  
Equalization of Ada County for tax year 2007. ) AND ORDER

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER came on for hearing December 4, 2007, in Boise, before Hearing Officer Travis VanLith. Board Members Lyle R. Cobbs, Linda S. Pike and David E. Kinghorn participated in this decision. Appellant Scott Howell appeared. Chief Deputy Tim Tallman and Appraiser Tina Winchester appeared for Respondent Ada County. This appeal is taken from a decision of the Ada County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. R1580560190.

**The issue on appeal is the market value of a residential property.**

**The decision of the Ada County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$160,000, and the improvements' valuation is \$364,600, totaling \$524,600. Appellants request the total value be reduced to \$465,000.

The subject property consists of a 3,462 square foot residence with a 1,138 square foot garage, built in 2005 on a .33 acre lot. Subject is located near Highway 44 in Eagle.

Appellant mentioned subject was placed on the market in January 2007 for \$530,000. After several months with only a few showings, Appellant's real estate agent suggested reducing the price to an amount in the high \$400,000 range. Appellants decided to take subject off the market rather than reduce the price. It was noted subject sits next to a busy highway, which Appellants believed was the main deterrent preventing buyers from purchasing the property. Appellant testified only a vinyl fence and a raised berme separate subject from the highway.

Appellant presented six (6) sales from subject's subdivision that occurred during 2007. The lot sizes and square footages were similar to subject. Prices ranged between \$410,000 and \$500,000. Subject was assessed for \$524,600.

Respondent noted subject's January 2007 listing price of \$530,000 and concluded Appellant complicitly agreed that subject's market value was close to the assessed value.

Respondent then provided three sales that occurred during 2006. Sales 2 and 3 involved properties located in subject's subdivision and Sale 1 occurred in a nearby subdivision. Sales 2 and 3 sold for \$525,000 and \$540,000 respectively. After adjustments for small variances in square footage from subject and other minor differences, the adjusted sale prices were \$151.94 and \$152.54 per square foot respectively. After similar adjustments, the adjusted price of Sale 1 was \$155.86. Subject was assessed at \$151.53 per square foot. Respondent placed the most weight on Sales 2 and 3 because they were located in subject's subdivision.

Respondent also submitted a land value map for properties located in subject's subdivision. It was noted properties (including subject) located nearest the highway were discounted to account for the negative influence caused by the traffic. Respondent commented the common area and berme provided a sound barrier from the highway.

In conclusion, Respondent argued the 2007 sales presented by Appellant should not be considered because they occurred after the statutory January 1, 2007 lien date. Respondent also objected to Appellant's use of assessed values for other properties in subject's subdivision on the basis that assessment comparison was not a recognized appraisal method.

#### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments

and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho adheres to a market value standard to assess properties for the purpose of taxation. See Idaho Code § 63-201.

“[T]here are three primary methods of determining market value: the cost approach, in which the value as determined by new cost or market comparison is estimated and reduced by accrued depreciation; the income approach, applicable to "income producing property" in which a capitalization rate is determined from market conditions and applied to net income from the property to determine appraised value; and the market data (comparison method) approach, in which value of the assessed property is ascertained by looking to current open market sales of similar property.” Merris v. Ada County, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979).

As correctly noted by Respondent, relying on assessed values of other properties is not a recognized appraisal method. Accordingly, the four neighborhood assessments provided by Appellants are not persuasive indicators of subject's market value. If evidence suggested subject was assessed inequitably compared to neighborhood properties, assessed values would possibly carry more weight. In this case, however, Respondent provided a land value map of subject's subdivision which showed land values to be equally assessed. Moreover, lots located near the highway were assessed lower than properties located further away, which indicates the negative influence from the busy traffic was considered and adjusted for.

Both parties presented sales to support their respective opinions of subject's value. Appellants provided several 2007 sales and Respondent submitted three sales occurring during 2006. Respondent's Sales 2 and 3 occurred in December 2006, which is very close to the January 1, 2007 lien date. See Idaho Code § 63-205. Additionally, both involved properties

located in subject's subdivision. Those factors, combined with the fact Appellants' sales occurred after the lien date, are compelling reasons to rely most heavily on Respondent's two sales. As noted above, Sale 2 sold for \$525,000 and Sale 3 for \$540,000. After Respondent accounted for differences versus subject, the adjusted sale prices were \$151.94 and \$152.54 per square foot, respectively. Subject was assessed for \$151.53 per square foot, which is slightly lower than the adjusted sales prices. As such, the Board cannot justify reducing subject's assessed value downward. Considering all the evidence in this matter, the Board finds subject's assessment to be fair and equitable and will therefore affirm the decision of the Ada County Board of Equalization.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

MAILED February 4, 2008